(c) The functioning of UTI is continuously monitored by the Board of Trustees. In addition its operations are audited by statutory auditors every year.

UTI to enhance liquidity

7776. SHRI V. RAJAN CHELLAPPA: Will the Minister of FINANCE be pleased to state:

(a) what steps the UTI propose to take to enhance liquidity;

(b) whether the equity shares held by UTI in blue chip companies, like Indian Tobacco Company and others, will be sold; and

(c) if not, whether millions of shareholders and Unit holders will suffer?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) The information is being collected and will be laid on the Table of the House.

Independence given to financial institutions

7777. SHRI GUNDAPPA KORWAR: Will the Minister of FINANCE be pelased to state:

(a) whether there is any high powered committee to ensure that financial institutions act approrpriately in all matters;

(b) whether there is too much independence given to financial institutions in their dealings;

(c) how Government prevent partisan activities of financial institutions leading to crisis and loss of confidence in industry;

(d) whether Unit Trust of India has not been supervised adequately in its dealings;

(e) whether it is a fact that UTI has been very partisan and shortsighted in its investments and policy formulation; and

(f) the steps proposed to review activities of UTI's top brass?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) The Board of Directors of all India Financial Institutions (AIFIs) are responsible for monitoring the activities of the institutions. The Government monitors the position of overall sanctions and disbursements made by the AIFIs and appoints its nominee directors on the Board of AIFIs. Besides, the matters of general policy nature and of common interest to AIFIs are discussed with Chief Executives of AIFIs in meetings held from time to time.

Also, a Financial Institution Cell exists in the Reserve Bank of India (RBI) to *inter alia;* broadly monitor and oversee the operations of AIFIs as an adjunct to monetary and credit policy, to bring about greater co-ordination amongst AIFIs and banks and to arrange for a periodic interaction between AIFIs and RBI for discussion broad policy areas where improvements/changes are called for.

(d) to (f) The operations of UTI are governed by the Unit Trust of India Act, 1963 and the UTI General Regulations, 1964. The affairs and business of UTI are managed by a Board of Trustees on business principles, regard being had to the interests of unitholders. UTI has indicated that, being a long-term investor, it follows a prudential investment management policy. All UTI operations are audited by Statutory auditors every year a per the UTI Act.

Concern expressed on fall in savings

7778. PROF. VIJAY KUMAR MALHOTRA: Will the Minister of FINANCE be pleased to state:

(a) whether the attention of Government has been drawn to the news-items captioned "Fall in savings worries planners", "Drop in savings could 'affect' growth" and "Small savings are languishing" appearing in "The Times of India", "Newslead", Allahabad and